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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, SEPTEMBER 13, 2001

APPLICATION OF

AEP RETAIL ENERGY, LLC

CASE NO. PUE010431

For a permanent license to conduct business as a natural gas and electric competitive service provider and as an aggregator

ORDER FOR NOTICE AND COMMENT

On August 17, 2001, AEP Retail Energy, LLC ("AEP Retail" or "the Company"), filed an application with the State Corporation Commission ("Commission") to convert and expand its pilot license, License No. PE-11, to a permanent license to provide competitive electric service to all classes of retail customers throughout the Commonwealth of Virginia. In addition, AEP Retail requests a license to conduct business as a natural gas competitive service provider and as an aggregator, also throughout the Commonwealth of Virginia. The Company attested that it would abide by all applicable regulations of the Commission as required by 20 VAC 5-312-40.

¹ This pilot license permits the Company to operate in the electric retail access programs of Virginia Electric and Power Company ("Virginia Power") and Rappahannock Electric Cooperative ("REC").

On July 31, 2000, AEP Retail filed an application for a license to conduct business as a competitive service provider in natural gas and electric retail access pilot programs. AEP Retail's application was completed when additional information was filed on October 3, 2000. In the October 3, 2000 filing, the Applicant withdrew the portion of its request regarding natural gas retail access programs. This application sought authority to serve eligible customers in all customer classes in the electric retail access pilot programs of Virginia Power and REC.

After providing notice and opportunity for hearing, and receiving no comments from the public, and after considering its Staff's Report and the Company's response thereto, the Commission issued an Order on November 14, 2000, that, among other things, granted the Company License No. PE-11 to provide competitive electric service to all classes of retail customers in conjunction with the retail access pilot programs of REC and Virginia Power.

On June 19, 2001, the Commission entered its Final Order in Case No. PUE010013, adopting its Rules Governing Retail Access to Competitive Energy Services ("Retail Access Rules"), 20 VAC 5-312-10, et seq. Page 6 of this Order provided that each competitive service provider who wished to convert its pilot license to a permanent license to participate in retail access

must submit a request to do so in writing to the Commission on or before August 31, 2001. We directed that: (i) each such request must include an attestation that the information provided and updated in its application for a pilot license is true and correct, (ii) the Company must attest that it will abide by all applicable regulations of the Commission, as required by 20 VAC 5-312-40 B, and (iii) the Company must include any changes to information previously provided to the Commission, as required by 20 VAC 5-312-20 R.

NOW UPON CONSIDERATION of AEP Retail's application to convert its present license to a permanent license, and its request to be licensed as a natural gas competitive service provider and an aggregator, the Commission is of the opinion and finds that AEP Retail's application should be docketed; that the Commission Staff should conduct an investigation into the reasonableness of the request to become licensed as a natural gas competitive service provider and aggregator and present its findings in a Staff Report; that this Order should be served upon appropriate persons; and that these persons should have an opportunity to comment on AEP Retail's request to convert its pilot license to permanent as well as its request to be licensed as a natural gas competitive service provider and aggregator.

Accordingly, IT IS ORDERED THAT:

- (1) This application shall be docketed and assigned Case No. PUE010431.
- (2) A copy of the application and supporting documents shall be made available for public inspection in the Commission's Document Control Center, located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, during the Commission's regular hours of operation, between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday.
- (3) On or before September 17, 2001, AEP Retail shall serve a copy of this Order upon each utility listed on Attachment A to this Order.
- (4) Any interested person may request a copy of the application, accompanying materials, and this Order by directing a request in writing to the Company, c/o Andrew W. Patterson, SVP-Retail Mass Markets, AEP Retail Energy, LLC, 1 Riverside Plaza, Columbus, OH 43215. The Company shall, within three (3) days of receipt of the request, serve the requested documents upon the person making such request.
- (5) An original and fifteen (15) copies of any comments on the application shall be filed on or before September 24, 2001, with Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P. O. Box 2118, Richmond, Virginia 23218-2118. Comments must refer to Case No. PUE010431. A copy

of such comments must also be served on or before September 24, 2001, by first-class mail, or hand-delivered, to the Company, c/o Andrew W. Patterson, SVP-Retail Mass Markets, AEP Retail Energy, LLC, 1 Riverside Plaza, Columbus, OH 43215.

- (6) The Commission Staff shall analyze the reasonableness of AEP Retail's application and shall present its findings in a Staff Report to be filed on or before September 25, 2001.
- (7) On or before September 28, 2001, the Company shall file with the Clerk of the Commission an original and fifteen (15) copies and any response it may have to the Staff Report.
- (8) The Company shall respond to written interrogatories or data requests within five (5) calendar days after the receipt of the same. Interrogatories and data requests, as well as the responses thereto, shall be transmitted via facsimile as well as by first-class mail. Except as modified herein, discovery shall be in accordance with Part IV of the Commission's Rules of Practice and Procedure, 5 VAC 5-20-10, et seq.
 - (9) This matter shall be continued generally.